



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 4/25/2003

GAIN Report #CA3024

## Canada

### Agricultural Situation

## This Week in Canadian Agriculture, Issue 15 2003

Approved by:

**Gary Groves**

**U.S. Embassy**

Prepared by:

George Myles, Matthew Cahoon

---

#### **Report Highlights:**

More Wheat and Canola, Less Barley Expected, Says Statistics Canada \* Chicken Production Lower; Imports from U.S. Higher \* Canada Closes Three Cod Stocks and Announces C\$44 Million in Aid \* Port of Churchill to Get C\$1 Million \* Major Asian-Style Food Retailer Expands \* More on the Success of SIAL Montreal \* Prince Edward Island Signs APF \* Canadian Biotech Advisory Committee Third Annual Report \* B.C. Government C\$12-M Partnership to Open up Chinese Housing Market  
...and MORE!

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1], CA

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives. Substantive issues and developments are generally also reported in detail in separate reports from this office.

*Disclaimer:* Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**STATISTICS CANADA SEEDING INTENTIONS:** According to the April 24 Statistics Canada report, *Seeding Intentions of Principal Field Crops* as of March 31, 2003, data from the March Intentions Survey of 12,200 farmers, conducted during the last week of the month, showed after two years of difficult crop growing conditions, Canadian grain growers expect to plant less oats, barley and lentils in 2003, and move back into wheat, canola and flaxseed. The largest increase anticipated in any crop is a 13.8% gain in canola acreage. Farmers are anticipated to plant more than 10.9 million acres of canola nationally, up from the 9.6 million acres planted in June 2002. In Saskatchewan alone, the canola acreage is expected to jump 19.5% or 850,000 acres to 5.2 million. Total wheat acreage is expected to increase a marginal 0.4% to 26.4 million. However, most of the increase is in winter wheat. Acreages are expected to decline for spring wheat, the major cash crop on the Prairies, and durum wheat. *Comment: private trade estimates in front of the Statistics Canada report expected wheat, durum, barley and oats acreage to be within 5% of last year's planting figures; but trade estimates for canola acreage ranged from 2-10%, with greater weight to the lower end of that range. The larger seeded acreage for canola will likely catch traders by surprise and result in new crop canola futures dropping on the Winnipeg Commodity Exchange.* To view the full summary of the report, visit: <http://www.statcan.ca/Daily/English/030424/d030424a.htm>

**CHICKEN PRODUCTION LOWER; IMPORTS FROM U.S. HIGHER:** Preliminary data released by the Chicken Farmers of Canada (CFC) for the first quarter of 2003 indicates that year to-date Canadian chicken production up to mid-April is 264,500 metric tons, 1.9% less (5,100 MT) than during the same weeks of 2002. Storage stocks on April 1, 2003 were only fractionally lower than one year earlier at just under 30,000 metric tons. The CFC claims that domestic consumption in early 2003 is 2.8% higher than last year during the first quarter. Preliminary data show total Canadian chicken exports almost 25% below the January-March level of last year, a development to be more closely analyzed when the official trade data is available in mid-May. Year to-date chicken imports, virtually all from the United States are estimated at 25,800 MT, 4.9% higher than last year's pace. *Comment: Canada is the second most important market for U.S. poultry meat exports after Russia. U.S. poultry meat sales to Canada during 2002 reached a record \$267 million, accounting for more than 15% of total.*

**CANADA CLOSES THREE COD STOCKS AND ANNOUNCES C\$44 MILLION IN AID:** This week, the Government of Canada closed three cod stocks in the Gulf of St. Lawrence and northeast of Newfoundland and Labrador. Recent scientific assessments of the stocks determined they are at historically low levels and show no signs of imminent recovery despite a decade of

severe conservation measures. The GOC also outlined a C\$50-million four-part action plan to assist individuals and communities which will be most affected by the closure with C\$6 million of the total targeted at scientific research into the serious decline of these stocks. Of 10 managed cod stocks on Canada's East Coast, there are three stocks of particular concern – Northern Cod (2J3KL), Northern Gulf (3Pn /4RS) and Southern Gulf (4TVn). Catches of Atlantic cod stocks and landed values have dropped dramatically over the past 10 years. Most fishermen didn't return to the cod fishery when some areas reopened, turning instead to lucrative shellfish (crab and shrimp). In the ten years following the cod moratorium of 1992, the Canadian government has spent C\$3.9 billion for income support, industry adjustment measures and economic development assistance programs for the Atlantic fishing industry.

**PORT OF CHURCHILL TO GET C\$1 MILLION:** The April 23 edition of *Agriline* reported that the Manitoba provincial government allocated C\$1 million in aid to the port of Churchill and its rail line in the just released budget. There were no details on the how the money will be spent. The province is also trying to get additional funding from the Canadian federal and Saskatchewan governments to keep the port operating.

**MAJOR ASIAN-STYLE FOOD RETAILER EXPANDS:** The March 2003 issue of *Canadian Grocer* highlights the introduction of Canada's largest Asian grocery retailer into the West Edmonton Mall, touted as the world's largest entertainment and shopping center at more than 5.3 million square feet. The Mall developed a new theme street called Chinatown where T&T Supermarket operates a 50,000 sq. ft. outlet. T&T Supermarket has 10 stores in Canada and is a major importer of Oriental-style foods. Its stores carry an extensive range of packaged grocery products and boast an in-store bakery, sushi and salad bar along with large meat, seafood, and produce sections. *Comment: Opportunities exist in the Canadian market for U.S. exporters of Asian-style food products. Canadians spend about C\$6 billion annually on Asian-style foods. For more information on Asian-style food marketing prospects see post report CA2124, Asian-Style Foods in the Canadian Market.*

**MORE ON THE SUCCESS OF SIAL MONTREAL:** During the three days of SIAL Montreal 2003, which was held April 2-4, all sectors of the food industry from HRI to food processing, distribution, and export were brought together at Montreal's Palais des Congrès. FAS and IMEX Management organized the U.S. Pavilion which consisted of 38 booths, representing approximately 50 U.S. companies. The U.S. Pavillion doubled the size of its exhibition area to more than 3,800 square feet. In addition to representation by national associations, State departments of agriculture and state regional trade associations, the U.S. product range included specialty wines, almonds, chocolates, coffee, condiments, confectionery, biscuits, pastries, couscous, dairy products, desserts, dressings, dried fruit, falafel, and nutraceuticals. Sales resulting from the show are expected to exceed US\$18.7 million in the next 12 months. Organizers are already working on SIAL Montreal 2005 to be held April 13-15, 2005 at the Palais des Congrès.

**PRINCE EDWARD ISLAND SIGNS APF:** According to a joint federal-provincial government news release issued by Canada and Prince Edward Island, PEI has signed on to the Federal-Provincial-Territorial Framework Agreement on Agriculture. Federal Minister of Agriculture and Agri-Food Lyle Vanclief and Mitch Murphy, Prince Edward Island's Minister of

Agriculture and Forestry made the announcement on April 11. The agreement commits governments to work with the agriculture and agri-food industry to move the sector beyond crisis management to greater prosperity through action in five key areas: food safety and food quality, the environment, business risk management, renewal and science and innovation. The agreement sets a goal of making Canada the world leader in food safety and quality, environmentally-responsible production and innovation. PEI's signing brings to nine provinces and two territories that have signed on to the APF - the province of Quebec has yet to sign. The Government of Canada is providing C\$3.4 billion to fund the actions under the APF. This is part of a C\$5.2-billion package of agricultural investments, announced in June by Prime Minister Jean Chrétien and Mr. Vancilief to strengthen Canadian agriculture. When implementation agreements are signed, provincial-territorial cost-sharing will add additional funds over the life of the agreement.

**HIGHER COSTS FOR CANADIAN FARMERS IN 2003:** The April 14 edition of *Good Morning Ontario* reported that it will cost a lot more to farm in Canada in 2003, according to Agriculture and Agri-Food Canada's (AAFC) latest Bi-Weekly Bulletin. Fertilizer prices in 2003 are about 40% higher than last fall and roughly 35% higher than the same time last year. AAFC says because of tight natural gas supplies and limited production, most analysts expect nitrogen fertilizer prices to remain at current levels in the short-term. Farmers will pay more for fuel this year, says AAFC. While oil prices have eased in the last few weeks with the prospect that the war in Iraq may be short, farm fuel prices are expected to continue to be higher in 2003 compared to 2002. Herbicide prices will likely stay similar to last year. The cost of seed has increased in 2003 for almost all crops. Seed costs when compared to 2002 are expected to vary considerably. This variability can range as much as 60% higher for canola seed. Crop insurance costs in 2003 are expected to be higher, however the increases will vary depending on the province and crop seeded. For additional information, visit:  
[http://www.agr.gc.ca/mad-dam/e/bulletine/v16e/v16n08\\_e.htm](http://www.agr.gc.ca/mad-dam/e/bulletine/v16e/v16n08_e.htm)

**CANADIAN BIOTECH ADVISORY COMMITTEE RELEASES ITS THIRD ANNUAL REPORT:** In an April 15 new release, the Canadian Biotechnology Advisory Committee (CBAC), in its third annual report summarizing the committee's work during calendar year 2002, made a number of recommendations. The report covers: (1) Completion of two major projects with the release of the reports on Improving the Regulation of Genetically Modified Foods and Patenting of Higher Life Forms; (2) CBAC's new theme - Biotechnology in Canadian Society; (3) CBAC's Advisory Memoranda to the Biotechnology Ministerial Coordinating Committee on the Supreme Court of Canada's ruling on the Harvard onco-mouse; and (4) An assessment of key biotechnology trends, developments and breakthroughs that provide the context for CBAC's ongoing deliberations. A copy of the 2002 Annual Report can be obtained from the following web site: <http://www.cbac-cccb.ca>

**B.C. GOVERNMENT C\$12-M PARTNERSHIP TO OPEN UP CHINESE HOUSING MARKET:** According to the British Columbia provincial government, the government is partnering with B.C.'s forest industry on an aggressive five-year strategy to open up new opportunities for B.C. wood products in the fast-growing Chinese housing market. The new marketing strategy was announced by Premier Gordon Campbell, Forests Minister Michael de

Jong, forestry industry leaders and members of the Chinese-Canadian business community. The cornerstone of the strategy is the C\$12-million Dream Home China demonstration site planned for Shanghai. To be developed over three years as a 50-50 partnership between the province's Forest Innovation Investment, along with B.C. forestry companies and industry associations, the site will showcase single-family homes, townhouses and low-rise apartments - all using wood-frame construction. An on-site presentation center will highlight advanced wood technologies and provide B.C. forestry associations and companies with a central location to market their products, technologies and expertise to the Chinese housing market. The project will be supported by a marketing program that includes a Web site, [www.bcforestproducts.com](http://www.bcforestproducts.com), as well as informational DVDs and an industry directory. The project is part of the government's New Era commitment to promote B.C. forest products and practices internationally. Funding for the project is part of the international marketing and product development budget of Forestry Innovation Investment.

**Did You Know ...**that Canada is the second most important market for U.S. exports of fish and seafood after Japan? During 2002, U.S. fish and seafood exports to Canada totaled \$574 million and accounted for almost 20% of the total to all countries.

**Recent Reports from FAS/Ottawa:**

Report Number	Title of Report	Date
CA3022	This Week in Canadian Agriculture, Issue 14	4/11/2003
CA3021	Grain and Feed Annual Report	4/11/2003

**VISIT OUR WEBSITE:** The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto [www.usembassycanada.gov](http://www.usembassycanada.gov); click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: [info@usda-canada.com](mailto:info@usda-canada.com).